



Budget Update

Dear Friend,

Did you know that state spending from state resources has been cut by more than \$2.3 billion during the last four years? As state government revenues continue to decrease, my Senate colleagues and I are fighting to reduce spending and balance the state's budget without further taxing Michigan's already struggling residents.

The Legislature recently finalized the Fiscal Year (FY) 2011 budget – sending a final budget to the governor that is \$277 million below her recommendation. Rather than increase taxes on those who have already been hit so hard by our ailing economy, we passed reforms, reduced spending and increased efficiencies within government, all while protecting our most critical programs.

Highlights of the balanced budget include:

- Reforming the state employee retirement system to right-size state government.
 - A modest retirement incentive combined with a mandatory 3-percent contribution to retiree health care costs for remaining state employees will result in \$81 million in savings in FY 2011 alone, while creating much-needed reform to the retirement system.
- A 3 percent across-the-board spending cut to every state department.
- Restoration of the \$154 per pupil cut endured by schools in FY 2010 with an additional \$23-\$46 per pupil depending on a district's foundation allowance.
- No cuts to revenue sharing for local governments, police and fire.
 - As chair of the General Government budget, I am proud to say it came in \$84 million below the governor's recommendation and mandates that each state department create a transparency website so everyone can monitor all state government spending.

While I would have liked to see us make more cuts from the budget and return more money to hardworking Michigan residents, I am pleased that the final budget agreement means no new taxes or fee increases for Michigan residents.

I am confident that by focusing on real solutions to Michigan's spending problem we can get our great state back on the path to economic prosperity.

Sincerely,


John Pappageorge

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SOUTHEAST OAKLAND COUNTY

SENIOR

★★★ *Salute*

Hosted by
Senator John Pappageorge

SENIORS

Come enjoy a free consumer/health fair designed specifically for senior citizens. Giveaways, games, prizes, and a free hot lunch provided by Ponderosa Steakhouse!

Don't miss your chance to win a \$1000 gift card to Walmart & more!

Monday, October 4, 2010

10 AM to 2 PM

**Royal Oak Farmer's Market
316 E. 11 Mile Road, Royal Oak, MI**

**ADMISSION IS FREE
NO REGISTRATION REQUIRED**

Questions? Call 517-488-7866

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State Senator John Pappageorge

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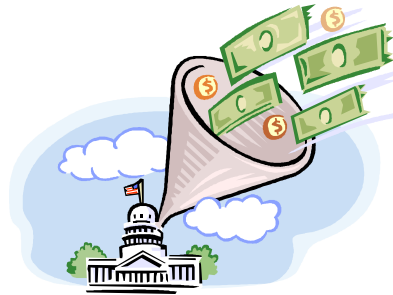


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Resolution introduced urging Congress to stop return of the “death tax”

I recently co-sponsored a resolution urging Congress to stop the return of the “death tax” by extending the one-year moratorium of the federal estate tax.

The so-called death tax is one of our nation’s most onerous taxes – hitting family-owned small business and farms especially hard. Part of the American dream is to start a business, grow it into a thriving company and pass it on to your children to continue. The death tax violates that ideal by forcing many people to sell the family business to pay the tax.



Congress passed tax relief in 2001 that phased out the estate tax through 2009, increased the untaxed portion of estates from \$1 million to \$3.5 million and eliminated the tax in 2010. If Congress fails to act, the death tax will return in 2011 at pre-2001 tax rates.

Three U.S. senators are circulating a bill to restore the death tax with a \$3.5 million exemption, but with a 65 percent tax rate afterward.

Small businesses create more than 70 percent of Michigan jobs, and the death tax discourages investment in the family business – resulting in the loss of potential new jobs.

Bill approved to prevent withdraw of taxpayer dollars from casino ATMs

The Michigan Senate recently approved legislation that will help protect state taxpayer dollars by preventing cash assistance recipients from withdrawing funds from ATMs located in casinos.

The Department of Human Services determined that more than \$87,000 in assistance funding was withdrawn from the Motor City Casino in Detroit from September 2009 through August 2010. Numbers are not yet available for the state’s other casinos.

Taxpayer dollars issued to residents who need assistance should be used wisely. While there are no restrictions on how the money can be spent, most people would agree that gambling with taxpayer dollars isn’t an appropriate use of state assistance.

Under Senate Bill 1432, recipients of cash assistance cannot receive the benefit from an ATM

within a casino. The measure would require DHS to work with other state agencies to block access to the ATMs.

As technology has changed, the way that cash assistance is provided has also been updated. Residents who receive assistance now use a “bridge card” or debit card. Food assistance recipients cannot withdraw money directly using the card, but cash assistance recipients can.



Energy theft bills signed into law



Senate legislation designed to help prevent the theft of electricity, which can be both costly and dangerous to consumers, was recently signed into law.

Energy theft costs utilities approximately \$6 billion annually and is a growing problem because of the economic hardships that many residents continue to experience.

Unfortunately, when one person steals electricity, all utility users pay the price as companies spread the cost of uncollected money across their customer base. Lawmakers developed this legislation to help deter residents from tampering with electrical meters to avoid paying their true electrical costs.

Public Acts 128-132 of 2010 develop standards for utilities to shut off and re-establish service to locations where unauthorized use has occurred. The new laws also:

- Create penalties for electricity theft;
- Criminalize the assault of a utility worker performing his job; and
- Establish sentencing guidelines for the new criminal statutes.

The acts are also meant to protect consumers. Tampering with live electricity inside a meter is extremely dangerous and can result in a fire, shock or even death to the perpetrator. This can create a fire hazard for all those who live nearby.

Questions? Comments?

If you have any questions or comments regarding information in this newsletter, or wish to be removed from or added to the mailing list, please contact my office at the following information:

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